

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

AUGUST 28, 2009

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on August 28, 2009 at 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty (Chair), Mr. William Parsons, Mr. Thomas Stocker and Mr. Richard DeMerchant.

The following Director(s) were absent: None.

Also present were: J. Michael Saul, Interim Executive Director; Earl F. Queenan Jr., Corporation Administrator; Sean Esten, Corporation Administrator; Anthony J. Scolavino, Special Consultant; Thomas V. Moses, Legal Counsel; Carol J. Anguilla, Moses & Afonso, Ltd; Sue Morgan, Director of Accounting for Rhode Island Economic Development Corporation and Meredith Pickering for Robert Bromley, Legislative Fiscal Analyst.

Mr. Fogarty presided over the meeting.

1. Call to Order

Mr. Fogarty called the meeting to order at 9:30 a.m.

2. Approval of the Minutes of the Meeting Held on July 23, 2009

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on July 23, 2009. Upon motion duly made by Mr. Stocker and seconded by Mr. DeMerchant, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on July 23, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

3. Maintain the Executive Minutes of July 23, 2009 Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on July 23, 2009. Upon motion duly made by Mr. Stocker and seconded by Mr. DeMerchant, the motion to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on July 23, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

4. Report of Cash Position as of July 31, 2009

Mr. Scolavino presented the report of Cash Position as of July 31, 2009.

5. Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of July 31, 2009

Mr. Scolavino presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of July 31, 2009. Mr. Moses requested explanation regarding the increase in loan delinquencies. Mr. Scolavino explained that the increase is understandable in light of the general decline in the economy and then reported on the status of each of the delinquencies.

6. Acceptance of Mr. Edward Rendine's Resignation from the Board.

Mr. Fogarty then called for a motion to accept the resignation of Mr. Edward Rendine from the Board. Mr. Fogarty noted with appreciation Mr. Rendine's years of service to the Board. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to accept the resignation of Mr. Edward Rendine from the Board was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

7. Other Business

Corporation staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

8. Executive Session

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Stocker, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

Public session concluded, Ms. Pickering left the meeting room and executive session began at 9:44 a.m.

9. Return to Public Session

Upon a motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

Executive session concluded, Ms. Pickering returned to the meeting room and public session began at 10:35 a.m.

10. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Parsons, the following votes were ratified:

To approve the application of Goetz Custom Technologies, LLC for a term loan in the principal amount of \$250,000.00.

To approve the application of Atlantic Footcare, Inc. for a term loan in the principal amount of \$250,000.00.

To approve the application of Wheeler Avenue, LLC for a term loan in the principal amount of \$200,000.00.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The Board then discussed possible candidates to fill the vacancy left on the Board by Mr. Rendine's resignation. Mr. Saul agreed to compile a short list of candidates to be discussed at the next meeting scheduled for September 24, 2009. There being no further business to come before the Board, upon motion duly made by Mr. Stocker and seconded by Mr. DeMerchant, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.
Administrator

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